



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

At its meeting held November 18, 2008, the Board took the following action:

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The following item was called up for consideration:

The Director of Public Social Services' recommendation to approve and instruct the Chair to sign amendment to the Greater Avenues for Independence Case Management (GCM) Services Contract with Maximus, Inc. to extend the term for two months, effective December 1, 2008 through January 31, 2009, while transitioning the services to a new contractor, increasing the cost of the original contract by \$1,785,085, fully funded with CalWORKs Single Allocation; find that GCM services performed for GAIN Regions II and VII can be provided more economically by an independent contractor; and approve the following:

Approve and instruct the Chair to sign the contract with Policy Studies Inc. (PSI) to provide GCM services to Welfare-to-Work (WtW) participants, effective January 1, 2009 or the day after Board approval, whichever is later, through June 30, 2010, with option to extend for one additional 18-month period, at a basic compensation amount of \$19,383,416 for the contract;

Authorize the Director of Public Social Services (DPSS) to exercise the County's option to extend the contract for an additional 18 month period in the projected amount of \$19,711,026 for 18 months of direct case management services which excludes the first year's start-up cost;

Authorize the Director of DPSS to prepare and execute amendments to the contract for a decrease in the contract costs, or for an increase of no more than 10% of the total original contract amount when the increase is necessitated by additional and necessary services that are required for the contractor to comply with changes in Federal, State, or County requirements; and

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Direct the Director of DPSS to provide annual reports to the Board on the effectiveness of the contracted GCM services provided by PSI.

Margaret Laub, Chief Executive Officer, and Doug Howard, Senior Vice President, Policy Studies Inc.; Ed Roman, Paul Hayes and Tanya Akel addressed the Board.

Miguel Santana, Deputy Chief Executive Officer, Children and Families' Well-Being, Phil Ansell, Director of Bureau of Program and Policy for the Department of Public Social Services, Tom Tindall, Director of Internal Services, Phillip Browning, Director of Public Social Services and William T Fujioka, Chief Executive Officer, responded to questions posed by the Board.

After discussion, Supervisor Antonovich made a motion to extend the contract with Maximus, Inc. for six months, and on a month-to-month basis thereafter, as a new solicitation process is completed.

Supervisor Molina made the following statement:

“Over the past decade, Los Angeles County taxpayers have paid tens of millions of dollars in contracting out the Department of Public Social Services' (DPSS) job placement program for our CalWORKs clients in the San Fernando Valley and Antelope Valley.

“The GAIN Case Management services were solicited through a competitive process in March 2008. In response to the Request for Proposal (RFP), the Department received proposals from two vendors: Maximus, Inc., the incumbent with a subcontractor – Jewish Vocational Services; and a new contractor, PSI with a subcontractor – Build Rehabilitation Industries, Inc.

“On May 20, 2008, DPSS completed its evaluation; based on its evaluation PSI was recommended. The PSI business proposal has the overall highest rating and the lowest-cost bid.

“Subsequently, the County has engaged in a prolonged protest process that has cost taxpayers an additional \$3.5 million. This includes a second level review at the Department level; a County Review Panel; an Auditor-Controller review; and the ongoing costs of monitoring the contract. These three reviews uphold the Department's recommendation to award the contract to PSI. A total of 3,347 hours, which includes staff from DPSS, Auditor-Controller, County Review Panel and County Counsel, has been devoted to this procurement process.

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“At a time when County revenue is decreasing and due to the demands of complying with new welfare job placement goals, it may be the appropriate time to return these critical services in-house.”

Therefore, Supervisor Molina made a motion that the Director of the Public Social Services be instructed to take the following actions:

1. Develop a plan to return the case management services for the Antelope Valley (Region II) and San Fernando Valley (Region VII) to the Department to administer GAIN case management for the caseload in those areas, and report back in 45 days; and
2. Execute Amendment Six to Maximus, Inc. to extend its contract for two months while Maximus, Inc.'s services transition to DPSS.

Supervisor Burke made a suggestion that Supervisor Molina's motion be amended to change the request to “evaluate” instead of “develop” a plan. Supervisor Molina accepted Supervisor Burke's amendment.

Supervisor Molina's motion, as amended, seconded by Supervisor Burke, failed to carry by the following vote: Ayes: Supervisors Molina and Burke; Noes: Supervisors Yaroslavsky, Knabe and Antonovich.

Supervisor Antonovich revised his motion to add that the Director of Public Social Services establish a new Request for Proposal (RFP) that is still cost effective and does not violate Proposition A. The new RFP should have an initial term of two years with an option to renew thereafter; and should not be scored via Consensus Method Scoring, and there should be no shredding of documents. In addition, comparable incentives and penalties should be included in the contract.

Supervisor Knabe made a suggestion to amend Supervisor Antonovich's motion to include the cost of monitoring. Supervisor Antonovich accepted Supervisor Knabe's amendment.

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After further discussion, on motion of Supervisor Antonovich, seconded by Supervisor Yaroslavsky, duly carried by the following vote: Ayes: Supervisors Yaroslavsky, Knabe and Antonovich; Noes: Supervisor Molina; Abstentions: Supervisor Burke, the Board took the following actions:

1. Approved an extension to the contract with Maximus, Inc. for six months, and on a month-to-month basis thereafter, as a new solicitation process is completed; and
2. Directed the Director of Public Social Services to establish a new Request for Proposal (RFP) that is still cost effective and does not violate Proposition A. The new RFP should have an initial term of two years with an option to renew thereafter; and should not be scored via Consensus Method Scoring; and there should be no shredding of documents. Comparable incentives and penalties should be included in the contract as well as provisions for contract monitoring and the cost of monitoring.

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Copies distributed:

Each Supervisor
County Counsel
Chief Executive Officer
Director of Public Social Services